



## DEPARTMENT OF THE AIR FORCE

ARLINGTON, VA 22203-1613

Office of the Deputy General Counsel

16 SEP 2004

### MEMORANDUM IN SUPPORT OF THE DEBARMENTS OF:

RON LEWIS  
R. LEWIS & COMPANY

Effective October 29, 2003, the Air Force proposed the debarments of Ron Lewis (Lewis) and R. Lewis & Company (RLC) (collectively "Respondents") from Government contracting and from directly or indirectly receiving the benefits of federal assistance programs. The actions were initiated pursuant to Federal Acquisition Regulation (FAR) Subpart 9.4.

By correspondences dated December 19, 2003 and April 23, 2004, Respondents, through counsel, submitted information and arguments in opposition to the proposed debarments (the submissions). On January 20, 2004, the Respondents and their counsel made a presentation before the Debarring Official.

I have carefully considered the submissions and all the material in the administrative record (the record).

### INFORMATION IN THE RECORD

Information in the record indicates that at all times relevant here:

1. RLC was a Virginia based company engaged in the business of technological support to administrative systems.
2. Lewis was the President of RLC.
3. Robert Lee Neal (Neal) was the Director of the Office of Small and Disadvantaged Business Utilization (SADBU), United States Department of Defense (DOD). He was appointed to the political Senior Executive Service, Level V position by the President.
4. Francis Delano Jones, Jr. (Jones) was the Executive Assistant to Neal, the Director of SADBU. He served in that position from February 1998 to January 2001.
5. Lewis, Jones and Neal conspired to fraudulently obtain DOD funding. Specifically, Neal granted a modification to RLC's DOD contract to pay a delinquent Sheraton Hotel bill for a DOD conference held at the hotel in 1999 and to embezzle further funds from the contract modification.
6. On or about March 8, 2000, Neal and Jones instructed Lewis to submit a cost proposal for RLC's Small Business Innovation and Research (SBIR) contract for about \$364,945 in additional funding. Lewis caused a DOD Form 250 to be prepared and faxed to DOD with an

attached invoice, which listed at least \$265,383 in false expenses.

7. On or about March 12, 2000, Neal executed a Request for Contracted Advisory and Assistance Services, which approved a \$365,000 modification for RLC's SBIR contract.

8. On or about April 17, 2002, Lewis transferred \$265,383 via wire from a RLC account to a Sheraton Hotel account at which the 1999 DOD conference was held.

9. Lewis acknowledged that he made kickback payments of between \$305,000 and \$370,000, either directly or indirectly, to Neal and Jones, their affiliated companies, or to other entities or individuals at their direction.

10. On October 25, 2002, Lewis pled guilty to knowingly conspiring and agreeing with other persons to commit the offense of making false statements (18 U.S.C. § 1001) in the United States District Court for the Eastern District of Virginia (USDC-EDVA). On September 29, 2003, Lewis was sentenced to two years probation.

11. On July 10, 2003, Neal and Jones were found guilty in the USDC-EDVA of conspiracy to commit money laundering, money laundering, and conspiracy to obstruct justice.

### ANALYSIS

Lewis's criminal conviction and the underlining facts resulting in his conviction clearly demonstrate by a preponderance of the evidence that he committed fraud and crimes in connection with obtaining, attempting to obtain, or performing public contracts for the United States Government. There is no dispute as to the facts and the bases for the debarments of the Respondents. The focus of the submission was the mitigating factors concerning Lewis's rehabilitation from long-term drug usage.

Lewis admits to substance abuse. After entering his guilty plea on June 10, 2003, Lewis informed the Assistant United States Attorney of this conduct, but denied having used drugs during his testimony at the Neal and Jones trial.

Lewis takes responsibility and admits his wrongdoing. He also cooperated with the Government once the investigation began, voluntarily committed himself to a drug treatment facility, and presently claims to be sober and drug-free. Another consideration is that the Neal and Jones events occurred four years ago. In view of these mitigating factors and others represented in the submissions, the usual period of debarment warranted by the criminal and seriously improper conduct of the Respondents is appropriately reduced.

### FINDINGS

1. The conduct of RLC and Lewis is of so serious or compelling a nature that it affects their present responsibility to be Government contractors or subcontractors and provides a basis for their debarments, pursuant to FAR 9.406-2(c).

2. The conviction of Lewis provides a separate basis for his debarment, pursuant FAR 9.406-2(a)(1), (3), and (5).

3. The criminal and seriously improper conduct of Lewis may be imputed to RLC pursuant to FAR 9.406-5(a), as his criminal and seriously improper conduct occurred in connection with his performance of duties for or on behalf of RLC, and with the knowledge, approval, or acquiescence of RLC. The imputation of Lewis's criminal and seriously improper conduct provides a separate basis for RLC's debarment.

4. The seriously improper conduct of RLC may be imputed to Lewis pursuant to FAR 9.406-5(b), because as President of RLC, Lewis participated in, or had reason to know of RLC's seriously improper conduct. The imputation of RLC's seriously improper conduct to Lewis provides a separate basis for his debarment.

5. RLC and Lewis are affiliates, as defined in FAR 9.403, because directly or indirectly Lewis controls or has the power to control RLC. The affiliation of RLC and Lewis provides a separate basis for their debarments pursuant to FAR 9.406-1(b).

#### DECISION

Pursuant to the authority granted by FAR Subpart 9.4, Defense FAR Supplement, subpart 209.4, and 32 C.F.R. Section 25, and based on the evidence contained in the administrative record and the findings herein, Ron Lewis and R. Lewis & Co. are debarred for a period of two years from October 29, 2003, the date they were proposed for debarment. Their debarments shall terminate on October 28, 2005.



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STEVEN A. SHAW  
Deputy General Counsel  
(Contractor Responsibility)